

## **Maine MEP Economic Impact Strong, Despite Weak Economy**

### ***Independent Study Finds Maine MEP Generated \$197 Million in State Output, 1,300 Jobs in Past Year***

**Augusta, ME** – Calling the findings proof that training and technical assistance programs are more vital now than ever, the Maine Manufacturing Extension Partnership (Maine MEP) today released its annual economic impact study results. The impact study, conducted by an independent third-party evaluator, concluded that Maine MEP was responsible for creating or retaining more than 1,300 jobs and generating \$197 million in economic output in the past 12 months.

“Despite the steepest economic decline since the Great Depression, Maine MEP helped create and retain more than 1,300 jobs in the past year,” said Bruce Pulkkinen, chair of the Maine MEP board of directors. “This impact emphasizes the importance of providing training and technical assistance to small and mid-size manufacturers, so they can survive the economic downturn.”

The Maine MEP is an affiliate of the National Institute of Standards and Technology (NIST) under the U.S. Department of Commerce. As a member of the national network of manufacturing extension centers throughout the country, Maine MEP is subject by law to independent third-party evaluations of the program’s economic impact.

“As a direct result of Maine MEP programs and services over the past 12 months, manufacturers in our state created or retained more than 500 jobs that otherwise would not have existed,” Pulkkinen stated. “Our projects with them achieved \$8.8 million in cost savings, and they consequently increased or retained \$73.4 million in sales.”

The study found that 52 Maine MEP clients over the past year created 136 new jobs and retained 381 jobs that otherwise would not exist. Each of these effects, in turn, generated subsequent ripples throughout the Maine economy. The sum of these direct, indirect and induced effects suggest that manufacturing firms assisted by Maine MEP were responsible for creating or retaining 1,309 jobs that paid a total of \$51.4 million in employee wages and benefits. Total economic output increased or retained as a result of Maine MEP programs totaled \$197.3 million in the past year.

Pulkkinen pointed with particular pride to the role Maine MEP plays in contributing to the state coffers.

At a time of sharply decreased tax revenues, the Maine MEP program successfully bolstered state and local revenues by more than \$7 million. The impact study concluded that the program generated or retained \$20.8 million in additional tax and non-tax revenues at the federal, state and local government levels, including \$7.7 million at the state and local levels.

The impact results illustrate the paradox lawmakers and state government policymakers face in tough economic times. When recessions hit, state revenues decline steeply and lawmakers face difficult budget cuts. The challenge is to make judicious cuts that have the least long-term impact.

“The economic impact study illustrates the importance of supporting programs that help manufacturers become more efficient in terms of production processes, labor utilization and energy consumption. Maine MEP provides this assistance to companies in every manufacturing

sector; and we pay back the state's investment many-fold," said Pulkkinen.

Manufacturing remains the state's largest sector, accounting for nearly 13 percent of gross state product (GSP) and ranking third among nongovernmental industry sectors in terms of employment. Pulkkinen emphasized that the value to manufacturers of Maine MEP programs becomes even more apparent in a challenging economy.

"Many firms can prosper when the economy is growing robustly, but it's in tough times like this when the value of MEP training and technical assistance programs really becomes apparent," Pulkkinen noted. "We can help manufacturers identify growth opportunities, upgrade critical employee skills, improve production efficiencies, cut energy costs, improve supply chain performance and enhance customer satisfaction. Tough times winnow out the competition, but they can also propel the growth of well-prepared firms that implement the initiatives needed to become next generation manufacturers capable of surviving in a global economy."

Pulkkinen cited examples of the kinds of innovative programming Maine MEP offered in the past year to meet the changing needs of Maine manufacturers. They included:

- Creating a pilot program to integrate energy conservation guidelines established by the Environmental Protection Agency (EPA) into Maine MEP training programs for manufacturers in order to help Maine manufacturers lower energy consumption and reduce energy costs;
- Partnering with local career centers to train precision manufacturing machine tool operators for companies like General Dynamics, whose growth at their Saco facility was limited by a state-wide shortage of skilled computer numerical-controlled (CNC) operators;
- Implementing a new Innovation Initiative to train manufacturers in the field of innovation development and marketing, providing Maine manufacturers with the latest cutting-edge training and assessment tools to help spur innovation and growth.

"Maine MEP is working to help small and mid-size firms unlock their potential. We know that with the use of modern manufacturing equipment, methodologies and management practices, Maine firms can thrive. Today's economic impact results demonstrate that our efforts are making a positive difference," said Pulkkinen.